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EXTRAORDINARY

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PART II—Section 1

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this part in order that it may be filed
as a separate compilation

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS
(LEGISLATIVE DEPARTMENT)

New Delhi, the 30th September 1977 Asvina 8, 1899 (Saka)

THE SMITH, STANISTREET AND COMPANY LIMITED
(ACQUISITION AND TRANSFER OF UNDERTAKINGS)
ORDINANCE, 1977

No. 13 OF 1977

Promulgated by the President in the Twenty-eighth Year
of the Republic of India.

An Ordinance to provide for, in the public interest, the acquisition and transfer of the right, title and interest of Messrs Smith, Stanistreet and Company Limited, Calcutta and for matters connected therewith or incidental thereto.

WHEREAS Messrs. Smith, Stanistreet and Company Limited, Calcutta were engaged in the manufacture and distribution of pharmaceuticals and chemicals which are essential to meet the needs of the public ;

AND WHEREAS the management of the undertakings of the Company was in a manner highly detrimental to the public interest and had suffered heavy losses ;

AND WHEREAS the management of the Company was taken over by the Central Government under section 18 A of the Industries (Development and Regulation) Act, 1951 ;

AND WHEREAS for the purpose of reconstructing and rehabilitating the undertakings of the Company so as to subserve the interest of the general public by the augmentation and distribution of the different varieties of essential pharmaceuticals and chemicals produced by the said Company, and to ensure the continued supply thereof, it is necessary to acquire the right, title and interest of Messrs. Smith, Stanistreet and Company Limited, Calcutta ;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action,

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance, namely :—

CHAPTER I

PRELIMINARY

Short title and commencement

1. (1) This Ordinance may be called the Smith, Stanistreet and Company Limited (Acquisition and Transfer of Undertakings) Ordinance, 1977.

(2) It shall come into force on the 1st day of October, 1977.

Definitions

2. In this Ordinance, unless the context otherwise requires,—

(a) “appointed day” means the 1st day of October, 1977 ;

(b) “Company” means the Smith, Stanistreet and Company Limited, being a company as defined in the Companies Act, 1956 and having its registered office at 18, Convent Road, Calcutta-700014 ;

(c) “Commissioner” means the Commissioner of Payments appointed under section 14 ;

(d) “notification” means a notification published in the Official Gazette ;

(e) “prescribed” means prescribed by rules made under this Ordinance ,

(f) “specified date” means such date as the Central Government may, for the purposes of any of the provisions of this Ordinance, by notification specify and different dates may be specified for different provisions of this Ordinance ,

(g) words and expressions used herein and not defined but defined in the Companies Act, 1956 have the meanings respectively assigned to them in that Act

CHAPTER II

ACQUISITION AND TRANSFER OF THE UNDERTAKINGS OF THE COMPANY

Transfer to and vesting in Central Government of the undertakings of the Company

3. On the appointed day, the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, shall, by virtue of this Ordinance, be transferred to, and shall vest in, the Central Government.

General effect of vesting

4 (1) The undertakings of the Company shall be deemed to include all assets, rights, lease-holds, powers, authorities and privileges, and all property, movable and immovable, including lands, buildings, workshops, stores, instruments, machinery and equipment, cash balances, cash on hand, reserve funds, investments, book debts and other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the Company, whether within or outside India,

and all books of account, registers and all other documents of whatever nature relating thereto.

(2) All properties as aforesaid which have vested in the Central Government under section 3 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other encumbrances affecting it, and any attachment, injunction or decree or order of any court restricting the use of such property in any manner or appointing any receiver in respect of the whole or any part of such property shall be deemed to have been withdrawn

(3) Every mortgagee of any property which has vested under this Ordinance in the Central Government and every person holding any charge, lien or other interest in, or in relation to, any such property shall give, within such time and in such manner as may be prescribed, an intimation to the Commissioner of such mortgage, charge, lien or other interest

(4) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (3) or any other person holding any charge, lien or other interest in, or in relation to, any such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amount specified in section 7, and also out of the monies determined under section 8, but, no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Central Government.

(5) If on the appointed day, any suit, appeal or other proceeding by or against the Company, of whatever nature in relation to any property which has vested in the Central Government, under section 3, is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings of the Company or of anything contained in this Ordinance, but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Company.

5. (1) Every liability of the Company in respect of any period prior to the appointed day, shall be the liability of the Company and shall be enforceable against it and not against the Central Government, or, where the undertakings of the Company are directed, under section 6, to vest in a Government company, against that Government company.

Central Government or Government company not to be liable for prior liabilities

(2) For the removal of doubts, it is hereby declared that,—

(a) save as otherwise expressly provided in this Ordinance, no liability of the Company in relation to its undertakings in respect of any period prior to the appointed day, shall be enforceable against the Central Government, or, where the undertakings of the Company are directed, under section 6, to vest in a Government company, against that Government company ;

(b) no award, decree or order of any court, tribunal or other authority in relation to the undertakings of the Company, passed after the appointed day, in respect of any matter, claim or dispute, which arose before that day, shall be enforceable against the Central Government, or, where the undertakings of the Company are directed, under section 6, to vest in a Government company, against that Government company ;

(c) no liability incurred by the Company before the appointed day, for the contravention of any provision of law for the time being in force,

shall be enforceable against the Central Government, or, where the undertakings of the Company are directed, under section 6, to vest in a Government company, against that Government company.

Power of Central Government to direct vesting of the undertakings of the Company in a Government company

6. (1) Notwithstanding anything contained in sections 3 and 4, the Central Government may, if it is satisfied that a Government company is willing to comply, or has complied, with such terms and conditions as that Government may think fit to impose, direct, by notification, that the undertakings of the Company and the right, title and interest of the Company in relation to its undertakings which have vested in that Government under section 3, shall, instead of continuing to vest in that Government, vest in the Government company either on the date of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification

(2) Where the right, title and interest of the Company in relation to its undertakings, vest in a Government company under sub-section (1), the Government company shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings, and all the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively, of the Government company.

CHAPTER III

PAYMENT OF AMOUNTS

Payment of amount.

7. For the transfer to, and vesting in, the Central Government, under section 3, of the undertakings of the Company and the right, title and interest of the Company in relation to its undertakings, there shall be given by the Central Government to the Company, in cash, and in the manner specified in Chapter VI, an amount of three crores and seventy-four thousand rupees.

Payment of further amount.

8. (1) For the deprivation of the Company of the management of its undertakings, there shall be given to the Company by the Central Government an amount calculated at the rate of ten thousand rupees per annum for the period commencing on the date on which the management of the undertakings of the Company was taken over by the Central Government and ending on the appointed day.

(2) The amount specified in section 7 and the amount determined under sub-section (1) shall carry simple interest at the rate of four per cent. per annum for the period commencing on the appointed day and ending on the date on which the payment of the amount is made by the Central Government to the Commissioner.

(3) The amount determined in accordance with the provisions of sub-sections (1) and (2) shall be given by the Central Government to the Company in addition to the amount specified in section 7.

(4) For the removal of doubts, it is hereby declared that the liabilities of the Company in relation to its undertakings which have vested in the Central Government under section 3, shall be discharged from the amount referred to in section 7, and also from the amounts determined under sub-sections (1) and (2), in accordance with the rights and interests of the creditors of the Company.

CHAPTER IV

MANAGEMENT, ETC., OF THE UNDERTAKINGS OF THE COMPANY

9. (1) The general superintendence, direction, control and management of the affairs and business of the undertakings of the Company, the right, title and interest in relation to which have vested in the Central Government under section 3, shall,—

(a) where a direction has been issued by the Central Government under sub-section (1) of section 6, vest in the Government company specified in such direction ; or

(b) where no such direction has been issued by the Central Government, vest in one or more Custodians appointed by the Central Government under sub-section (2),

and thereupon the Government company so specified or the Custodian so appointed, as the case may be, shall be entitled to exercise all such powers and do all such things as the Company is authorised to exercise and do in relation to its undertakings.

(2) The Central Government may appoint one or more individuals or a Government company as the Custodian of the undertakings of the Company in relation to which no direction has been issued by it under sub-section (1) of section 6.

10. (1) On the vesting of the management of the undertakings of the Company in a Government company or on the appointment of a Custodian, all persons in charge of the management of the undertakings of the Company immediately before such vesting or appointment, shall be bound to deliver to the Government company or the Custodian, as the case may be, all assets, books of account, registers or other documents in their custody relating to the undertakings of the Company.

(2) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to the Government company or the Custodian as to its or his powers and duties and the Government company or Custodian may also, if it or he so desires, apply to the Central Government at any time for instructions as to the manner in which the management of the undertakings of the Company shall be conducted by it or him or in relation to any other matter arising in the course of such management.

(3) The Custodian shall receive from the funds of the undertakings of the Company such remuneration as the Central Government may fix and shall hold office during the pleasure of the Government.

11. The Custodian of the undertakings of the Company shall maintain the accounts of the undertakings of the Company in such form and in such manner and under such conditions as may be prescribed and the provisions of the Companies Act, 1956, shall apply to the audit of the accounts so maintained as they apply to the audit of the accounts of a company.

1 of 1956.

CHAPTER V

PROVISIONS RELATING TO EMPLOYEES OF THE COMPANY

12. (1) Every person who has been, immediately before the appointed day, employed by the Company in relation to its undertakings, shall become, on and from the appointed day, an employee of the Central Government or, as the

case may be, of the Government company referred to in section 6, and shall hold office or service under the Central Government or Government company, as the case may be, with the same remuneration and upon the same terms and conditions, with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if there had been no such vesting and shall continue to do so unless and until his employment under the Central Government or the Government company, as the case may be, is duly terminated or until his remuneration, terms and conditions of service are duly altered by the Central Government or the Government company, as the case may be.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force the transfer of the services ^{14 of 1947.} of any officer or other person employed in the undertakings of the Company to the Central Government or the Government company shall not entitle such officer or other employee to any compensation under this Ordinance or under any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

Provident and other funds.

13. (1) Where the Company has established a provident, superannuation, welfare or other fund for the benefit of the persons employed in the undertakings of the Company, the monies relatable to the employees, whose services have become transferred by or under this Ordinance to the Central Government or Government company, shall, out of the monies standing, on the appointed day, to the credit of such provident, superannuation, welfare or other fund, stand transferred to, and shall vest in, the Central Government or the Government company, as the case may be.

(2) The monies which stand transferred under sub-section (1) to the Central Government or the Government company, as the case may be, shall be dealt with by that Government or the Government company in such manner as may be prescribed.

CHAPTER VI

COMMISSIONER OF PAYMENTS

Appointment of Commissioner of Payments.

14. (1) The Central Government shall, for the purpose of disbursing the amounts payable to the Company under sections 7 and 8, by notification, appoint a Commissioner of Payments.

(2) The Central Government may appoint such other persons as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons also to exercise all or any of the powers exercisable by him under this Ordinance and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any of the powers exercisable by the Commissioner may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Ordinance and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the Consolidated Fund of India.

Payment by the Central Government to the Commissioner

15. (1) The Central Government shall, within thirty days from the specified date, pay, in cash, to the Commissioner, for payment to the Company—

(a) an amount equal to the amount specified in section 7 ; and

(b) an amount equal to the amount payable to the Company under section 8.

(2) A deposit account shall be opened by the Central Government in favour of the Commissioner, in the Public Account of India, and every amount paid under this Ordinance to the Commissioner, shall be deposited by him to the credit of the said account and the said deposit account shall be operated by the Commissioner.

(3) Interest accruing on the amounts standing to the credit of the deposit account referred to in sub-section (2) shall enure to the said account.

16. (1) The Central Government or the Government company, as the case may be, shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Company in relation to its undertakings which have vested in the Central Government, or the Government company, realised after the appointed day notwithstanding that the realisations pertain to a period prior to the appointed day

Certain powers of the Central Government or Government company

(2) The Central Government or the Government company, as the case may be, may make a claim to the Commissioner with regard to every payment made by that Government after the appointed day for discharging any liability of the Company, in relation to any period prior to the appointed day ; and every such claim shall have priority, in accordance with the priorities attaching, under this Ordinance, to the matter in relation to which such liability has been discharged by the Central Government or the Government company.

(3) Save as otherwise provided in this Ordinance, the liabilities of the Company in respect of any transaction prior to the appointed day, which have not been discharged on or before the specified date, shall be the liabilities of the Company.

17 Every person having a claim against the Company shall prefer such claim before the Commissioner within thirty days from the specified date .

Claims to be made to the Commissioner

Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days and not thereafter.

18. The claims arising out of the matters specified in the Schedule shall have priorities in accordance with the following principles, namely :—

Priority of claims.

(a) category I will have precedence over all other categories and category II will have precedence over category III, and so on ;

(b) the claims specified in each of the categories, shall rank equally and be paid in full, but, if the amount is insufficient to meet such claims in full, they shall abate in equal proportions and be paid accordingly ;

(c) the question of discharging any liability with regard to a matter specified in a lower category shall arise only if a surplus is left after meeting all the liabilities specified in the immediately higher category.

19. (1) On receipt of the claims made under section 17, the Commissioner shall arrange the claims in the order of priorities specified in the Schedule and examine the same in accordance with such order of priorities.

Examination of claims

(2) If, on examination of the claims, the Commissioner is of the opinion that the amount paid to him under this Ordinance is not sufficient to meet the liabilities specified in any lower category, he shall not be required to examine the liabilities in respect of such lower category.

Admission or
rejection of
claims

20. (1) After examining the claims with reference to the priority set out in the Schedule, the Commissioner shall fix a date on or before which every claimant shall file the proof of his claim, failing which he shall be excluded from the benefit of the disbursements made by the Commissioner.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of the daily newspaper in English language and in one issue of the daily newspaper in the regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the time specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the time specified by the Commissioner shall be excluded from the disbursements made by the Commissioner.

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the Company an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, in writing, admit or reject the claim in whole or in part.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, including the place or places at which he will hold his sittings and shall, for the purpose of making any investigation under this Ordinance, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in 5 of 1908. respect of the following matters, namely :—

(a) the summoning and enforcing the attendance of any witness and examining him on oath ;

(b) the discovery and production of any document or other material object producible as evidence ;

(c) the reception of evidence on affidavits ;

(d) the issuing of any commission for the examination of witnesses

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Commissioner shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 45 of 1860. 2 of 1974.

(7) A claimant who is dissatisfied with the decision of the Commissioner may prefer an appeal against the decision to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated :

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, the appeal shall lie to the High Court at Calcutta and such appeal shall be heard and disposed of by not less than two Judges of that High Court

Disbursement of
money by Com-
missioner to
claimants.

21 After admitting a claim under this Ordinance, the amount due in respect of such claims shall be paid by the Commissioner to the person or persons to whom such sums are due, and, on such payment, the liability of the Company in respect of such claim shall stand discharged.

Disbursement
of amounts to
the Company

22. (1) If, out of the monies paid to him in relation to the undertakings of the Company, there is a balance left after meeting the liabilities as specified in the Schedule, the Commissioner shall disburse such balance to the Company.

(2) Where any machinery, equipment or other property has vested in the Central Government or a Government company under this Ordinance but such machinery, equipment or other property does not belong to the Company, it shall be lawful for the Central Government or the Government company to continue to possess such machinery, equipment or other property on the same terms and conditions under which they were possessed by the Company immediately before the 4th day of May, 1972.

23. Any money paid to the Commissioner which remains undistributed or unclaimed for a period of three years from the last day on which the disbursement was made, shall be transferred by the Commissioner to the general revenue account of the Central Government ; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made. the order, if any, for payment of the claim being treated as an order for the refund of the revenue.

Undistributed or unclaimed amount to be deposited with the general revenue account.

24. (1) Where any liability of the Company arising out of all or any of the items specified in category I, category II, category III or category IV of the Schedule are not discharged fully by the Commissioner out of the amount paid to him under this Ordinance, the Commissioner shall intimate in writing to the Central Government the extent of the liability which remains undischarged, and that liability shall be assumed by the Central Government.

Assumption of liability.

(2) The Central Government may, by order, direct the Government company to take over any liability assumed by that Government under sub-section (1), and on receipt of such direction, it shall be the duty of the Government company to discharge such liability.

CHAPTER VII

MISCELLANEOUS

25. The provisions of this Ordinance shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Ordinance, or in any decree or order of any court, tribunal or other authority.

Ordinance to have overriding effect.

26. (1) Every contract entered into by the Company in relation to its undertakings for any service, sale or supply, and in force immediately before the appointed day, shall, on and from the expiry of one hundred and eighty days from that day, cease to have effect, unless such contract is before the expiry of the period, ratified, in writing, by the Central Government or Government company, and, in ratifying such contract, the Central Government or Government company may make such alteration or modification therein as it may think fit :

Contracts to cease to have effect unless ratified by the Central Government or Government company.

Provided that the Central Government or the Government company shall not omit to ratify a contract, and, shall not make any alteration or modification in a contract, unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interests of the Central Government or Government company.

(2) The Central Government or Government company shall not omit to ratify a contract, and, shall not make any alteration or modification therein, except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusal to ratify the contract or for making any alteration or modification therein

Penalties

27. Any person who,—

(a) having in his possession, custody or control any property forming part of the undertakings of the Company, wrongfully withholds such property from the Central Government or the Government company or any person or body of persons authorised by that Government or Government company, or

(b) wrongfully obtains possession of, or retains, any property forming part of the undertakings of the company or wilfully withholds or fails to furnish to the Central Government, or the Government company or any person or body of persons authorised by that Government or Government company any document relating to such undertakings which may be in his possession, custody or control or fails to deliver to the Central Government or the Government company or any person or body of persons authorised by that Government or Government company, any assets, books of account, registers or other documents in his possession, custody or control relating to the undertakings of the company, or

(c) wrongfully removes or destroys any property forming part of the undertakings of the Company or prefers any claim under this Ordinance which he knows or has reasonable cause to believe to be false or grossly inaccurate, shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both.

Offences by companies

28. (1) Where an offence under this Ordinance has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Ordinance has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation :—*For the purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals ; and

(b) “director”, in relation to a firm, means a partner in the firm.

Protection of action taken in good faith

29. No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of that Government or the Custodian of the undertakings of the Company or the Government company or any officer or other person authorised by that Government or the Government company for anything which is in good faith done or intended to be done under this Ordinance

Delegation of powers

30. (1) The Central Government may, by notification, direct that all or any of the powers exercisable by it under this Ordinance, other than the power conferred by section 31, may also be exercised by any person or persons as may be specified in the notification.

(2) Whenever any delegation of power is made under sub-section (1), the person to whom such power has been delegated shall act under the direction, control and supervision of the Central Government

31. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Ordinance. Powers to make rules

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(a) the time within which and the manner in which an intimation referred to in sub-section (3) of section 4 shall be given ;

(b) the form and the manner in which, and the conditions under which, the Custodian shall maintain accounts as required by section 11 ;

(c) the manner in which monies in any provident or other fund referred to in section 13 shall be dealt with ;

(d) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Ordinance shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

32 If any difficulty arises in giving effect to the provisions of this Ordinance, the Central Government may, by order, not in consistent with the provisions of this Ordinance, remove the difficulty ; Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date on which this Ordinance receives the assent of the President

33. It is hereby declared that this Ordinance is for giving effect to the policy of the State towards securing the principles specified in clause (b) of article 39 of the Constitution Declaration as to policy of the State.

*Explanation :—*In this section “State” has the meaning as in article 12 of the Constitution

THE SCHEDULE

(See sections 18, 19, 20, 22 and 24)

ORDER OF PRIORITIES FOR THE DISCHARGE OF LIABILITIES OF THE COMPANY

PART ‘A’

POST-TAKE-OVER MANAGEMENT PERIOD

Category I.

- (a) Wages, salaries and other dues of the employees of the Company.
- (b) Loans advanced by the Central Government
- (c) Loans advanced by Indian Drugs and Pharmaceuticals Limited.
- (d) Loans advanced by banks guaranteed by the Central Government
- (e) Credit availed of for purposes of trade or manufacturing operations.

Category II.

- (a) Revenue, taxes, cesses, rates or other dues of Central Government or a State Government
- (b) Sales tax, rates and taxes, contributions to be made to the Employees' State Insurance Fund and Additional Dearness Allowances payable to employees

PART 'B'

PRE-TAKE-OVER MANAGEMENT PERIOD

Category III.

Arrears in relation to provident fund, salaries and wages and other amounts due to employees.

Category IV.

Principal amount due in relation to all secured loans.

Category V.

Amounts due by way of interest due in relation to the secured loans referred to in category IV.

Category VI.

Revenue, taxes, cesses, rates or any other dues to the Central Government, a State Government, a local authority or a State Electricity Board.

Category VII.

- (a) Any credit availed of for purposes of trade or manufacturing operations.
- (b) Any other dues.

K. K. SUNDARAM,
Secy. to the Govt. of India.